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**Sent:** Thur 6/7/2012 7:39:41 PM  
**Subject:** Afternoon Energy, powered by America's Natural Gas Alliance: Don't call Yucca a 'dump' — Bingaman nuclear waste bill weeks from introduction — AGA answers Senate's security question  
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By Talia Buford | 6/7/12 3:37 PM EDT

With help from Bob King and Darius Dixon

WHAT'S IN A NAME? At a hearing today, EPW Nuclear Safety Chairman Tom Carper (D-Del.) complained that Yucca Mountain has “always been characterized as a nuclear waste dump” by the media. “As we try to figure out the kind of approach — a sensible approach — being recommended by the [Blue Ribbon Commission on waste storage], now it is important to make clear [that] a repository, collection site, whatever you want to call it, not be a dump.”

Welcome to Afternoon Energy. I'm your host, Talia Buford, and in honor of Prince Rogers Nelson's 54th birthday today, I was going to don all purple and change my name to an unpronounceable symbol, but I

couldn't find my Little Red Corvette. That doesn't mean I still can't party like it's 1999. Join in the party — and send me the best energy news and tips at [tbuford@politico.com](mailto:tbuford@politico.com). And don't forget to follow us on Twitter — @TaliaBuford, @POLITICOPro and @Morning\_Energy — and use #AE4Pros when you tweet to get a shoutout and followback.

**NUCLEAR WASTE BILL WEEKS AWAY FROM INTRODUCTION:** Sen. Jeff Bingaman's nuclear waste legislation could be introduced within the next two to three weeks, Sen. Lamar Alexander said today at an EPW hearing. He added: "Sen. Bingaman hopes to have a hearing on it soon. In other words, we want to get moving." (ICYMI, Darius Dixon had the scoop on the draft yesterday: <http://politico.pro/MkW3vn>)

**AGA ANSWERS CYBERSECURITY QUERY:** The natural gas industry takes cybersecurity seriously, American Gas Association President David McCurdy said in a letter today to Senate Commerce Committee Chairman Jay Rockefeller, who questioned the group last month about a news report that the industry had abandoned work to implement security standards. "AGA can confidently say that member operators are actively engaged in protecting their infrastructure from cyberattacks through a variety of methods, some that might not be appropriate to publicly describe in this letter," McCurdy wrote.

McCurdy added that he agrees with Rockefeller that legislation to strengthen cybersecurity would help the government partner with the private sector. "Such legislation should recognize existing government/industry partnerships that work, rather than usurping them with mandates and administratively burdensome regulation," he wrote. Rockefeller had given the group until today to respond. Read the full letter here: <http://politico.pro/LvNIZI> Earlier coverage: <http://politico.pro/Kxc0BN>

**STRONGLY WORDED LETTER:** House Science subcommittee Chairman Andy Harris wrote a strongly worded letter to EPA administrator Lisa Jackson, expressing his "continued frustration with EPA's lack of transparency related to its hydraulic fracturing activities." Harris pointed to a number of requests for information the committee is still waiting to hear back on, along with the EPA's handling of high-profile investigations in Wyoming, Pennsylvania and Texas, where the agency was accused of acting too hastily to pin blame on natural gas companies. "These examples, while individually very troubling, collectively suggest EPA is not objectively pursuing an improved understanding of the relationship between hydraulic fracturing and drinking water, but rather is determined to find fault." The letter: <http://1.usa.gov/MdvuJo>

**McCLENDON LIVED LARGE:** On the eve of Friday's Chesapeake Energy shareholders' meeting, Reuters writes about the lavish lifestyle that CEO Aubrey McClendon cultivated from his perch atop the natural gas giant: "McClendon has intertwined his personal financial interests with those of the publicly traded corporation he runs to a far greater degree than shareholders may realize, according to interviews, public records and hundreds of pages of internal Chesapeake documents reviewed by Reuters." <http://reut.rs/Ken2tU>

**WELL, THAT'S A SUBTLE HEADLINE:** The Republican National Committee launched an attack on former DOE official (and current Obama fundraiser) Steve Spinner as "The Guy Who Went From Being CEO Of A Sports Sciences Start-Up To Managing Billions Of Dollars Of Your Money At The Infamous Department Of Energy." <http://bit.ly/LvGUuB>

**STUDY SAYS COAL PLANTS CONTRIBUTE TO EARLY DEATHS:** At least 5,700 deaths can be attributed to 51 coal-fired power plants in the United States each year, because the plants have no plans to clean up sulfur dioxide emissions, according to a new report from the Environmental Integrity Project. The report: <http://bit.ly/MjiJQL>

**IT'S PRONOUNCED "QUINN-ZEE":** Thieves in Quincy, Mass., stole nearly \$500 of used grease from behind the Cathay Pacific Restaurant. Grist hypothesizes that the grease would be sold to biofuel processors, signaling that the demand is high enough to support a black market. <http://bit.ly/LANv4Y>

**ENVIRONMENTAL COUNCIL OF THE STATES** began its two-day conference on state environmental protection today at Hotel Monaco in Washington, D.C. The event features discussions on coal ash, fracking, electric reliability, and how states and the EPA can work better together, among other topics. Erica Martinson will be on the scene, so feel free to shoot her a line at [emartinson@politico.com](mailto:emartinson@politico.com) or @EricaMartinson to say hello or give her a tip.

**CLIMATE CHANGE AND THE CAMPAIGN:** Our own Darren Samuelsohn will moderate a panel discussion Monday with Brookings experts Ted Gayer, Katherine Sierra and Charles Ebinger, who will present recommendations for the next president on how to handle the 12 most critical issues facing the nation. More details here: <http://bit.ly/KeTLUp>

**FRACKING PRIMACY ISSUE IN COURT:** Seven Pennsylvania judges are considering whether a new state law detailing where drilling sites and compressor stations can be located is illegal or if municipalities should retain the ability to manage the industry themselves, according to the Pittsburgh Post-Gazette. The law would keep towns from getting fees from natural gas wells if local regulations weren't updated to mirror the law, which allows drilling in some currently prohibited areas. <http://bit.ly/Md42LI>

**DOCTOR PROVISION NOT A PROBLEM IN OTHER STATES:** A provision in Pennsylvania's new gas drilling law has attracted criticism as a "gag rule" on doctors, but the provision is based on regulations in Colorado that also served as a model for Texas and Ohio. In some cases, they passed without controversy. StateImpactPA reports: <http://bit.ly/KeGVFH>.

**PURIFY YOURSELF IN THE WATERS OF LAKE MINNETONKA:** Or just make sure you join POLITICO's Patrick Gavin and Patrick Reis for Pro trivia night at 6 p.m. Tuesday. Get your team of four and RSVP to [awilliams@politico.com](mailto:awilliams@politico.com).

#### QUICK HITS

— A Wyoming official apologizes for saying a Pavillion fracking investigation was motivated by greed. Wyofile: <http://bit.ly/LErJNU>

— A new EDF/Duke study found that oyster reef restoration projects are a good way to create jobs: <http://bit.ly/MjenJr>

— Cutting energy bills is more important to Americans than scoring a big vacation or new gadget: <http://bit.ly/MqAfP4>

#### THE WIDE WORLD OF POLITICS

— Jeb Bush says 2012 was "my time" to run: <http://politi.co/LEx1ZU>

— Clinton aides say that Bill Clinton screwed up: <http://politi.co/MhrpXV>

— When a surrogate makes a gaffe, they've got to do the walk-it-back ritual: <http://politi.co/Mhrviq>

That's all for today. But before we go, a piece of advice from Charlie Murphy — if Prince challenges you to a game of basketball, be careful: you might get embarrassed. "Game: Blouses" (NSFW language) — <http://on.cc.com/MjeXa6>

**\*\* A message from America's Natural Gas Alliance:** Natural gas is going Maine-stream. MaineGeneral is designing its new hospital to use natural gas as its primary heating and cooking fuel, and the state is looking into using it to heat state government buildings. Read our blog: <http://bit.ly/McEMLk> \*\*

#### Stories from POLITICO Pro

Bill draft shifts nuke waste storage from DOE

Commerce questions nat gas's cybersecurity

Bill draft shifts nuke waste storage from DOE back

By Darius Dixon | 6/6/12 2:01 PM EDT

A proposal being circulated by Sen. Jeff Bingaman looks to tackle the nation's long-term nuclear waste conundrum by creating a new Nuclear Waste Administration, according to a discussion draft of the bill obtained by POLITICO.

The bill drafted by the New Mexico Democrat and Energy and Natural Resources chairman would strip the Energy Department of much of its authority to site, build and operate a resting place for the nation's nuclear waste in light of the stalemate and dismantling of the Yucca Mountain project.

The new agency would also have access to the national Nuclear Waste Fund, which is supported by fees imposed on electric utilities that operate nuclear plants, echoing a chief recommendation from DOE's Blue Ribbon Commission report released in January.

Along with transferring siting authority to the new agency, the bill draft would also lift a ban on creating temporary nuclear waste storage facilities before a final repository is licensed — another BRC recommendation. It would also allow the NWA to use the temporary sites for storing nuclear waste currently housed at power plants around the country.

The incentive for the federal government to create these interim facilities is exceptionally clear.

DOE has estimated it faces at least \$15 billion in future liability over spent nuclear fuel that the federal government agreed to start collecting in 1998 but that still sits at dozens of sites around the country. And even that figure was based on the assumption of a repository being opened in 2020.

Meanwhile, the Nuclear Waste Fund has been collected since 1983 and now totals more than \$24 billion. Annually, the fund collects about \$750 million from utilities and generates about \$1 billion more in interest.

Bingaman has been in four-way talks about nuclear waste legislation with Sen. Lisa Murkowski of Alaska, the top Republican on the energy committee, and top energy appropriators Sens. Dianne Feinstein (D-Calif.) and Lamar Alexander (R-Tenn.) since December.

The draft legislation also intends to create “a new consensual process for the siting of nuclear waste management facilities” that would require consent from governors, the “governing body of the affected unit of general local government” and any affected Indian tribe.

But there are a number of fuzzy areas in the bill the BRC presaged months ago.

There’s likely to be a tussle over how big or small a “general local government” can be, or what defines an “affected” community, in light of the advocacy by Nye County, Nev., officials for the Yucca Mountain project to be within their borders while neighboring counties and the state oppose the project.

What also seems unclear in the bill language is how the siting process should be “open to the public” in a way that “allows interested persons to be heard in a meaningful way.”

Under the draft, NWA’s siting process is required to be “flexible,” and the agency would have to hold several public meetings and allow “decisions to be reviewed and modified in response to new information or new technical, social, or political developments.”

The bill notes that the Nuclear Waste Administration would be allowed to provide “financial compensation and incentives” and “economic development assistance” to state and local community that offer to be studied as a possible temporary storage or repository site.

Once a site is thoroughly reviewed and selected by the NWA, the NRC would have three years to issue a final decision approving or disapproving the construction of the site with a possible one-year extension.

According to Bingaman’s draft of the legislation, a Nuclear Waste Oversight Board would also be created to keep the new agency accountable in its construction and spending activities as well as anything else in the bill. The new agency itself would be headed by a single Senate-confirmed administrator, along with a Senate-confirmed deputy.

For now, the draft designates the three oversight board members to be the deputy director of the Office of Management and Budget, the chief of engineers for the Army Corps of Engineers, and the DOE undersecretary of energy. The president would elevate one of the board members to the chair.[back](#)

[Commerce questions nat gas's cybersecurity back](#)

By Talia Buford | 5/25/12 5:32 AM EDT

The threat of cyberattacks is nothing new, so the chairman of the Senate Commerce Committee has a question for the natural gas industry: Why is critical infrastructure unprotected?

Citing a Christian Science Monitor report that said the industry abandoned work to implement standards to protect data and control systems from attackers because it would cost too much, Sen. Jay Rockefeller (D-W.Va.) wrote a letter to the American Gas Association on Thursday asking for information to understand that decision.

“I fear that the business justification for securing critical infrastructure will not come until it is too late, after a cyberattack does great damage to our economy, or worse, causes a mass casualty event,” Rockefeller wrote. “At that point, the private sector will have little choice but to make the necessary investments in cybersecurity.”

Dave McCurdy, the president and CEO of the AGA, said in a statement he is looking forward to working with Rockefeller and answering the committee’s questions.

"As a former chairman of the House Intelligence Committee, I too recognize the gravity of our nation's cyber vulnerabilities, and I am confident our security — cyber or otherwise — does not start or end with one report or set of security measures," said McCurdy, who represented Oklahoma for 14 years. "We are consistently working to improve the safety and security of our systems."

The Department of Homeland Security has issued three alerts about cyberthreats this year targeted at pipeline companies, and administration officials briefed Senate staff earlier this month on a series of attacks involving "sophisticated spear-phishing activities targeting personnel within the private companies," according to DHS spokesman Peter Boogaard.

McCurdy said that the industry is "currently involved in a number of cybersecurity initiatives to help advance safety, including the U.S. Department of Energy's Roadmap to Secure Control Systems in the Energy Sector, the Transportation Security Administration's Pipeline Security Guidelines and AGA/INGAA Security Practices Guidelines for Natural Gas Industry Transmission and Distribution."

Additionally, McCurdy pointed to the standing AGA Natural Gas Security Committee and the Cyber Security Task Group, which help members share best safety practices, he said.

"Pipeline operators employ a number of viable and applicable safety protocols, which often depend upon the architecture of their system," McCurdy said. "This makes our infrastructure more secure, because it means that there is not one standard approach and therefore an attack on one system will not work on all systems."

In the letter, Rockefeller spoke of the creation of an AGA working group that developed standards to protect data transmitted by utility control systems. One researcher who helped develop the standards told the Christian Science Monitor that operators were reluctant to implement the procedures even though they were effective because it cost \$500 or so to implement.

"It has been widely known for years that our critical infrastructure is vulnerable and that the threats are real," Rockefeller wrote. "Yet, while the threats have grown, the vulnerabilities remain."

Rockefeller asked for details surrounding the creation of the working group, the status of the standards they recommended, and how the vulnerabilities in the utility control systems have been addressed.

A spokeswoman said the Commerce Committee will decide whether to hold hearings or conduct additional inquiries based on the information it receives back from AGA. Rockefeller gave the organization a June 7 deadline to comply with the request for information.[back](#)

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